IN THE MATTER OF:	*	**BEFORE THE MARYLAND**
NICHOLAS ELKO, **d/b/a ELKO MORTGAGE, LLC,** **d/b/a THE ELKO TEAM** **d/b/a REAL ESTATE RENOVATION PROGRAM a/k/a RERP**	* * *	**COMMISSIONER OF** **FINANCIAL REGULATION**
Respondent	*	**CASE NO. DFR-EU-2009-011**

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SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order ("Agreement") is entered into this 12th day of July, 2010, by and between the Maryland Commissioner of Financial Regulation (hereinafter the "Commissioner") and Nicholas Elko, individually and d/b/a Elko Mortgage, LLC, d/b/a The Elko Team, d/b/a Real Estate Renovation Program a/k/a RERP (hereinafter the "Respondent"). The Commissioner and the Respondent ("the Parties") consent to the entry of this Agreement as a final resolution of this matter. All paragraphs below are intended to be part of the contractual obligations of the Parties hereto, so far as they may be so construed, and are not mere recitals to this Agreement.

1. Pursuant to the Financial Institutions Article ("FI"), § 11-601 *et seq.* (the Maryland Mortgage Originator Law, or "MMOL"), Annotated Code of Maryland, the Commissioner is responsible for licensing and regulating persons engaged in mortgage origination activities pertaining to residential real property located in the State of Maryland (the "State").

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2. Pursuant to the Commercial Law Article ("CL"), § 14-1901 *et seq.* (the Maryland Credit Services Businesses Act, or "MCSBA"), Annotated Code of Maryland, the Commissioner is responsible for licensing and regulating persons engaged in credit services business activities with Maryland consumers (or "Maryland "residents," the terms "consumers" and "residents" being used interchangeably herein).

3. At all times relevant hereto, Respondent Nicholas Elko has been duly licensed by the Commissioner to act as a Maryland mortgage loan originator, License No. 26-316, within the scope of his employment with Equitable Trust Mortgage Corporation.

4. As a result of an investigation into the business activities of Respondent, the Office of the Commissioner of Financial Regulation ("OCFR") determined that there were grounds to allege that Respondent violated various provisions of the Annotated Code of Maryland and associated regulations, including Real Property Article ("RP"), § 7-301 *et seq.* (Protection of Homeowners in Foreclosure Act, or "PHIFA"), the MCSBA, and FI §§ 11-201 *et seq.* and 11-301 *et seq.*; and it determined that action under FI §§ 2-115 and 11-615, and State Government Article ("SG") § 10-226(c)(2), was appropriate.

5. The Commissioner issued a Summary Order to Cease and Desist and Summary Suspension of Mortgage Originator License against the Respondent on December 10, 2009 (the "Summary Order"). The Commissioner subsequently issued an Amended Summary Order to Cease and Desist and Summary Suspension of Mortgage Originator License against the Respondent on March 1, 2010 (the "Amended Summary Order") to supplement and fully supersede and replace the Summary Order. The Amended Summary Order is at Attachment 1.

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6. Respondent states that there is sufficient evidence for the Commissioner to likely prove the alleged violations (hereinafter "the Violations") set forth in the Amended Summary Order (Attachment 1) at an administrative hearing.

7. Respondent wishes to resolve this matter without the need for an administrative hearing, thereby avoiding the costs associated with such hearing and any potential appeals, and therefore agrees to resolve this matter fully, finally, and completely without an administrative hearing as set forth in this Agreement, and further accepts without condition, and fully agrees to abide by, each and every term set forth in this Agreement.

8. The Commissioner considers that the resolution of this matter under the terms set forth herein to be appropriate in light of the following: Respondent's statement in paragraph 5, above, related to the Violations set forth in the Commissioner's Amended Summary Order; that Respondent is currently insolvent; and in light of the settlement of a civil suit which the Maryland homeowners described in the Commissioner's Amended Summary Order had brought against Respondent and others based on many of the same facts described in the Amended Summary Order.

9. Respondent has agreed to each and every one of the following conditions in exchange for a final resolution of this matter:

a. To consent to the Commissioner's revocation of Respondent's mortgage originator license.

b. To permanently cease and desist from engaging in any mortgage lending, mortgage servicing, mortgage brokering, or mortgage origination activities involving Maryland residential real property or Maryland residents.

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c. To permanently cease and desist from engaging in any credit services business activities with Maryland residents, including, but not limited to, engaging in any credit repair or loan modification activities.

10. Respondent acknowledges that he has voluntarily entered into this Agreement with full knowledge of its right to a hearing pursuant to FI § 11-616 and the Maryland Administrative Procedure Act (SG § 10-201 *et seq.*), as indicated in the attached Amended Summary Order, and that Respondent hereby waives his right to a hearing. Respondent further acknowledges that he has had an opportunity to consult with independent legal counsel in connection with the waiver of this right and with the negotiation and execution of this Agreement, and that Respondent has in fact consulted with independent legal counsel.

11. The Parties hereto acknowledge that this Agreement does not in any way relate to, impact, or otherwise effect the legal rights of, or preclude the Commissioner from bringing actions against, persons not Parties to this Agreement.

12. The Parties hereto agree that any notices hereunder shall be effectively "delivered" when sent via overnight delivery or certified mail as follows:

a. To the Commissioner:

Commissioner of Financial Regulation
500 North Calvert Street, Suite 402
Baltimore, Maryland 21202-3651
Attention: Mark Kaufman, Deputy Commissioner

Copy to:

W. Thomas Lawrie, Assistant Attorney General
Department of Labor, Licensing, and Regulation
500 North Calvert Street, Suite 406
Baltimore, Maryland 21202-3651

b. To the Respondent:

Nicholas Elko
13308 Constitution Avenue
Ocean City, Maryland 21842

Copy to:

Edward G. Price, Esquire
Price Law, LLC
744 South Curley Street
Baltimore, Maryland 21224

NOW, THEREFORE, it is, by the Commissioner of Financial Regulation, HEREBY

ORDERED that the Maryland mortgage loan originator license of Respondent, License No. 26-316, is REVOKED effective immediately; it is further

ORDERED that Respondent shall permanently cease and desist from engaging in any mortgage lending, mortgage servicing, mortgage brokering, or mortgage origination activities involving Maryland residential real property or Maryland residents; and it is further

ORDERED that Respondent shall permanently cease and desist from engaging in any credit services business activities with Maryland residents, including, but not limited to, engaging in any credit repair or loan modification activities; and it is further

ORDERED that Respondent shall adhere to all terms of this Settlement Agreement and Consent Order; and it is further

ORDERED that this Settlement Agreement and Consent Order fully supersedes

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and replaces the Amended Summary Order to Cease and Desist and Summary Suspension of Mortgage Originator License issued by the Commissioner against Respondent on March 1, 2010; and it is further

ORDERED that, in the event Respondent violates any provision of this Settlement Agreement and Consent Order, or otherwise engages in the activities which formed the basis for the violations described above, the Commissioner may, at the Commissioner's discretion, take any enforcement actions available under FI §§ 2-115 and/or 11-615, as well as take any other enforcement actions as permitted by, and in accordance with, applicable State law; and that such enforcement actions could include suspension or revocation of a license, an order to cease and desist, civil money penalties of up to $1,000 for a first violation and up to $5,000 for each subsequent violation, an order to provide restitution or to take other affirmative action to correct the violation, and/or referral for possible criminal prosecution; and it is further

ORDERED that this matter shall be resolved in accordance with the terms of this Settlement Agreement and Consent Order and the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

ORDERED that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation, and that the Commissioner may consider this Settlement Agreement and Consent Order, as well as the underlying facts, in deciding any action or proceeding before the Commissioner; and that this Settlement Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Commissioner.

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It is so ORDERED.

IN WITNESS WHEREOF, this Settlement Agreement and Consent Order is executed on the day and year first above written.

MARYLAND COMMISSIONER OF FINANCIAL REGULATION	NICHOLAS ELKO
By: Mark Kaufman Deputy Commissioner	

ATTACHMENT 1

IN THE MATTER OF:	*	**BEFORE THE MARYLAND**
NICHOLAS ELKO, **d/b/a ELKO MORTGAGE, LLC,** **d/b/a THE ELKO TEAM** **d/b/a REAL ESTATE RENOVATION PROGRAM a/k/a RERP**	* * *	**COMMISSIONER OF** **FINANCIAL REGULATION**
Respondent	*	**CASE NO. DFR-EU-2009-011**

* * * * * * * * * * * * *

AMENDED SUMMARY ORDER TO CEASE AND DESIST AND SUMMARY SUSPENSION OF MORTGAGE ORIGINATOR LICENSE

WHEREAS, the Maryland Department of Labor, Licensing and Regulation, Office of the Commissioner of Financial Regulation (the "Division"), undertook an investigation into the mortgage origination and other business activities of Nicholas Elko, individually and d/b/a Elko Mortgage, LLC, d/b/a The Elko Team, d/b/a Real Estate Renovation Program a/k/a RERP (hereinafter the "Respondent"); and

WHEREAS, as a result of that investigation, the Maryland Commissioner of Financial Regulation (the "Commissioner") finds grounds to allege that Respondent violated various provisions of the Annotated Code of Maryland and associated regulations, including Financial Institutions Article ("FI"), Title 11, Subtitle 6 (the Maryland Mortgage Originator Law, or "MMOL"), Real Property Article ("RP"), Title 7, Subtitle 3 (Protection of Homeowners in Foreclosure Act, or "PHIFA"), Commercial Law Article ("CL"), Title14, Subtitle 19, (the Maryland Credit Services Businesses Act, or "MCSBA"), and FI Title 11, Subtitles 2 and 3; and the Commissioner finds that action under FI §§ 2-115 and 11-615, and State Government Article ("SG") § 10-226(c)(2), is appropriate; and

WHEREAS, the Commissioner issued a Summary Order to Cease and Desist and Summary Suspension of Mortgage Originator License against the Respondent on December 10, 2009 (the "Summary Order"); and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Amended Summary Order to Cease and Desist and Summary Suspension of Mortgage Originator License ("Amended Summary Order") against the Respondent to supplement and fully supersede and replace the Summary Order.

NOW, THEREFORE, the Commissioner has determined, for the reasons set forth below, that the public welfare imperatively requires that the Maryland mortgage loan originator license of the Respondent be SUSPENDED effective December 10, 2009; and that it is in the public interest that Respondent CEASE AND DESIST from engaging in any other mortgage-related activities with Maryland residents effective December 10, 2009; and that it is in the public interest that Respondent immediately CEASE AND DESIST from engaging in credit services business activities with Maryland residents.

1. Pursuant to the MMOL, the Commissioner is responsible for licensing and regulating persons engaged in mortgage origination activities pertaining to residential real property located in the State of Maryland (the "State").

2. At all times relevant hereto, Respondent Nicholas Elko has been duly licensed by the Commissioner to act as a Maryland mortgage loan originator, License No. 26-316, within the scope of his employment with Equitable Trust Mortgage Corporation ("Equitable").

3. The powers and limitations of licensed mortgage originators are sent forth in FI § 11-603, which provides, in relevant part, as follows:

> (2) An individual may not act as a mortgage loan originator under a name or for an employer that is different from the name and employer that appear on the license. . . .
> (3) If a licensee ceases to be employed by a licensed mortgage lender or by a person exempt from licensing as a mortgage lender, the licensee shall notify the Commissioner within 10 business days, and the license shall be placed into nonactive status.
> (4) During the time that a license is in nonactive status, it is a violation of this subtitle for the licensee to engage in any activity for which a license is required under this subtitle.
> * * *

4. FI § 11-605 sets forth the qualifications for an individual to be licensed by the Commissioner as a Maryland mortgage loan originator. Among those qualifications, FI § 11-605(c)(3) requires that the individual demonstrate "financial responsibility, character, and general fitness sufficient to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently."

5. FI § 11-615 sets forth violations and penalties for mortgage loan originators, providing, in relevant part, as follows:

> § 11-615. Violations; penalties.
> (a) Violations.- Subject to the hearing provisions of § 11-616 of this subtitle, and except as provided in subsection (f) of this section, the Commissioner may suspend or revoke the license of any licensee if the licensee:
> (3) In connection with any mortgage loan or loan application transaction:
> (i) Commits any fraud;
> (ii) Engages in any illegal or dishonest activities; or
> (iii) Misrepresents or fails to disclose any material facts to a person entitled to that information;
> (4) Violates any provision of this subtitle, any regulation adopted under this subtitle, or any other law regulating mortgage lending or mortgage origination in the State; or
> (5) Otherwise demonstrates unworthiness, bad faith, dishonesty, or any other quality that indicates that the business of the licensee has not been or will not be conducted honestly.

6. The Code of Maryland Regulations ("COMAR") 09.03.06.05 (*Advertising and Solicitation*) provides, in relevant part, as follows:

> A. A person may not publish, or cause to be published, any advertisement, or make or cause to be made any representation, that:
> (1) Contains any false, misleading, or deceptive statements regarding the making, brokering, or servicing of mortgage loans; or
> (2) Misrepresents terms, availability, rates, or charges incident to a mortgage loan.
> B. Licensee Name and Address.
> (1) A person may not advertise under any name or address other than a name or address which appears on its license.

7. Pursuant to COMAR 09.03.09.04, "a mortgage originator has a duty of good faith and fair dealing in communications and transactions with a borrower. . ."

8. Under PHIFA[1], (specifically RP § 7-301(i)), the term "*homeowner*" is defined as "the record owner of a residence in foreclosure, or an individual occupying the residence under a use and possession order issued under Title 8, Subtitle 2 of the Family Law Article, at the time an order to docket or a petition to foreclose is filed."

9. Pursuant to RP § 7-301(b), a "*foreclosure consultant*" is defined, in part, as a person who:

> (1) Solicits or contacts a homeowner in writing, in person, or through any electronic or telecommunications medium and directly or indirectly makes a representation or offer to perform any service that the person represents will:
> * * *
> (vii) Avoid or ameliorate the impairment of the homeowner's credit resulting from the filing of an order to docket or a petition to foreclose or the conduct of a foreclosure sale;
> (viii) Save the homeowner's residence from foreclosure;
> (ix) Purchase or obtain an option to purchase the homeowner's residence within 20 days of an advertised or docketed foreclosure

1 PHIFA (RP § 7-301 *et seq.*) was originally enacted on May 22, 2005, while revisions to the law became effective on April 3, 2008. The alleged violations of PHIFA described herein occurred during the 2006-2007 time period, and thus all references to PHIFA are to those statutory provisions in effect prior to April 3, 2008.

> sale; or
> (x) Arrange for the homeowner to become a lessee or renter entitled to continue to reside in the homeowner's residence after a sale or transfer; . . .

10. Pursuant to RP § 7-301(c), a "*foreclosure consulting contract*" is defined as "a written, oral, or equitable agreement between a foreclosure consultant and a homeowner for the provision of any foreclosure consulting service or foreclosure reconveyance."

11. Pursuant to RP § 7-301(d), a "*foreclosure consulting service*" includes:

> (5) Arranging or facilitating the purchase of a homeowner's equity of redemption or legal or equitable title within 20 days of an advertised or docketed foreclosure sale;
> (6) Arranging or facilitating any transaction through which a homeowner will become a lessee, optionee, life tenant, partial homeowner, or vested or contingent remainderman of the homeowner's residence;
> (7) Arranging or facilitating the sale of a homeowner's residence or the transfer of legal title, in any form, to another party as an alternative to foreclosure;
> (8) Arranging for a homeowner to have an option to repurchase the homeowner's residence after a sale or transfer;
> (9) Arranging for or facilitating a homeowner remaining in the homeowner's residence as a tenant, renter, or lessee; . . .

12. Pursuant to RP § 7-301(e), a "*foreclosure purchaser*" is defined as "a person who acquires title or possession of a deed or other document to a residence in foreclosure as a result of a foreclosure reconveyance."

13. Pursuant to RP § 7-301(f), a "*foreclosure reconveyance*" is defined as a transaction involving "(1) [t]he transfer of title to real property by a homeowner during or incident to a proposed foreclosure proceeding… and (2). [t]he subsequent conveyance, or promise of a subsequent conveyance, of an interest back to the homeowner by the acquirer or a person acting in participation with the acquirer that allows the homeowner to possess the real property following the completion of the foreclosure proceeding. . . ."

14. Pursuant to RP § 7-302(b), PHIFA applies to otherwise exempt individuals who are "engaging in activities or providing services designed or intended to transfer title to a residence in foreclosure directly or indirectly to that individual, or an agent or affiliate of that individual."

15. Pursuant to RP § 7-305(a), "a homeowner has the right to (i) rescind a foreclosure consulting contract at any time; and (2) rescind a foreclosure reconveyance at any time before midnight of the 3rd business day after any conveyance or transfer in any manner of legal or equitable title to a residence in foreclosure." Further, pursuant to RP § 7-306(d), "the time during which the homeowner may rescind the [foreclosure consulting] contract does not begin to run until the foreclosure consultant has complied with this section," while pursuant to RP § 7-310(e), "the time during which the homeowner may rescind the [foreclosure reconveyance] contract or transfer [of deed or title] does not begin to run until the foreclosure purchaser has complied with this section."

16. Pursuant to RP §§ 7-306(a), (b), and (c), a foreclosure consulting contract must include, *inter alia*, appropriate notices of rescission and other specific notices and related information.

17. RP § 7-307 prohibits foreclosure consultants from engaging in specific activities, stating, in part, that they may not:

> (2) Claim, demand, charge, collect, or receive any interest or any other compensation for any loan that the foreclosure consultant makes to the homeowner that exceeds 8% a year;
> * * *
> (5) Acquire any interest, directly or indirectly, or by means of a subsidiary, affiliate, or corporation in which the foreclosure consultant or a member of the foreclosure consultant's immediate family is a primary stockholder, in a residence in foreclosure from a homeowner with whom the foreclosure consultant has contracted;

* * *

(7) Induce or attempt to induce any homeowner to enter into a foreclosure consulting contract that does not comply in all respect with this subtitle.

18. Pursuant to RP §§ 7-310(a), (b), and (c), a foreclosure reconveyance "included in a foreclosure consulting contract or after the execution of a foreclosure consulting contract" must include, *inter alia*, appropriate notices of rescission and other specific notices and related information.

19. RP § 7-311(b) prohibits foreclosure purchasers from engaging in specific activities, stating, in part, that they may not:

> (1) Enter into, or attempt to enter into, a foreclosure reconveyance with a homeowner unless:
> (i) The foreclosure purchaser verifies and can demonstrate that the homeowner has or will have a reasonable ability to pay for the subsequent reconveyance of the property back to the homeowner on completion of the terms of a foreclosure conveyance, or, if the foreclosure conveyance provides for a lease with an option to repurchase the property, the homeowner has or will have a reasonable ability to make the lease payments and repurchase the property within the term of the option to repurchase;
> * * *
> (2) Fail to:
> * * *
> (ii) Make payment to the homeowner within 90 days of any resale of the property so that the homeowner receives cash payments or consideration in an amount equal to at least 82% of the net proceeds from any resale of the property should a property subject to a foreclosure reconveyance be sold within 18 months after entering into a foreclosure reconveyance agreement;
> (3) Enter into repurchase or lease terms as part of the foreclosure conveyance that are unfair or commercially unreasonable, or engage in any other unfair conduct;
> (4) Represent, directly or indirectly, that:
> (i) The foreclosure purchaser is acting as an advisor or a consultant, or in any other manner present that the foreclosure purchaser is acting on behalf of the homeowner;
> * * *
> (ii) The foreclosure purchaser is assisting the homeowner to "save the house" or use a substantially similar phrase; or

* * *

(5) Make any other statements, directly or by implication, or engage in any other conduct that is false, deceptive, or misleading, or that has the likelihood to cause confusion or misunderstanding. . . .

(6) Until the homeowner's right to rescind or cancel the transaction has expired:

(i) Record any document, including an instrument of conveyance, signed by the homeowner; or

(ii) Transfer or encumber or purport to transfer or encumber any interest in the residence in foreclosure to any third party.

20. The Division began an investigation of Respondent in January 2009 after receiving a complaint that Respondent had victimized Maryland homeowners through a foreclosure rescue scheme, in which the homeowners signed over title of their property to Respondent in an attempt to avoid foreclosure of their home, but which ultimately resulted in the Respondent stripping all of the equity out of the home while allowing the home to go into foreclosure.

21. The Division's investigation revealed the following:

a. In June 2006, [redacted] and [redacted] (the "Homeowners"), who were in foreclosure on their home at [redacted] (the "Residence"), were referred to the Respondent by an individual acting on the Respondent's behalf; this individual represented that the Respondent could save the Homeowners' Residence from foreclosure. The Homeowners had two mortgages with a combined balance of approximately $95,000 at the time of this referral.

b. The Homeowners and the Respondent met in person, and the Respondent represented that he could help save the Homeowner's Residence from foreclosure, and that his plan would improve the Homeowner's credit by allowing them to avoid having a foreclosure reflected on their credit reports, as well as to repair their credit once they subsequently purchased their Residence back from the Respondent.

c. The Homeowners and Respondent subsequently entered into a verbal agreement (the "Agreement") that was supposed to help the Homeowners avoid foreclosure and repair their credit; the terms of this Agreement were set forth in two separate written contracts. In a document titled "Contract of Sale," and which was executed on June 29, 2006, the Homeowners agreed to sell their Residence to the Respondent on July 6, 2006 for the "amount of all liens attached to the Property as of the Closing Date." In the second contract, entitled "Residential Lease with Option to Purchase" (the "Lease"), and which was executed on July 6, 2006, the Homeowners agreed to lease the Residence back from the Respondent for a one-year period with the option to purchase the Residence at any time during that period for the "outstanding balance of the . . . [Respondent's] mortgage at the time of settlement." This Lease also contained the following representations and provisions: that the amount of Respondent's mortgage as of the date of execution was $112,000; that Respondent would conduct a "cash-out refinance" within 30 days of that transaction for $130,000; and that this "cash-out refinance" would be used to pay Respondent's $112,000 mortgage on the Residence, pay attorney's fees of $4,000, pay all closing costs, and pay the Respondent an additional $10,000 fee. The Lease also contained a provision stating that, in the event that the Homeowners failed to exercise their option to purchase the Residence during the Lease term, the Respondent would sell the Residence within 60 days following the expiration of the Lease Term, with the net proceeds (defined as gross sales price minus the sum of the existing balance of the Respondent's mortgage plus sales expenses and commissions) distributed as follows: 60% to the Homeowners, 40% to the Respondent. Neither of these documents contained the notices of the rights of rescission or other notices or statements mandated by PHIFA.

d. The Agreement was executed at a settlement held at Canton Title Company in Baltimore, Maryland on July 6, 2006. Equitable Trust was the lender, and Dominic Cote was the loan originator. The Respondent's loan amount was $110,000, and he received $2,991.53 cash back at settlement, while the Homeowners did not pay or receive any cash at settlement.

e. Subsequently, Respondent conducted a "cash-out refinance" on July 21, 2006, with settlement again conducted at Canton Title Company in Baltimore. This new mortgage was in the amount of $160,000, which was $30,000 more than the amount agreed to in the Lease (which specified a refinance amount of $130,000), and the Respondent received a payment of $44,976.80 at settlement (rather than the $10,000 fee called for in the Lease). Respondent's employer, Equitable Trust, was again the lender in the transaction, while Dominic Cote was again the loan originator.

f. Respondent then conducted a second "cash-out refinance" on January 12, 2007, this time at Heavyweight Title Co. in Owings Mills, Maryland. This new mortgage was in the amount of $202,800, and the Respondent received cash in the amount of approximately $35,000 at settlement ($42,800 less closing costs). Respondent's employer, Equitable Trust, was again the lender in the transaction, while Dominic Cote was again the loan originator. Additionally, Respondent's mother, Diane M. Elko, became an additional owner of the property, as her name was added to the Deed of Trust and to the Deed, in addition to the Respondent. The Respondent signed all documents for Mrs. Elko as her alleged "attorney in fact," based on a specific Power of Attorney for this transaction.

g. Respondent then conducted a final transaction with regard to the Residence, transferring all interest in the property to his mother on September 19, 2007. Pursuant to this transaction, Mrs. Elko acquired a mortgage loan in the amount of $241,600 in order to purchase the property only in her name, while the Respondent received $29,304.97 as a result of this "sale" to Mrs. Elko. The settlement was again conducted at Heavyweight Title in Owings Mills, Maryland. Respondent's employer, Equitable Trust, was again the lender in the transaction, while Dominic Cote was again the loan originator. The Respondent signed all documents for Mrs. Elko as her alleged "attorney in fact," based on a specific Power of Attorney for this transaction. The Respondent did not pay the Homeowners any money as a result of this transaction as called for in their contract or as required under PHIFA.

h. In total, the Respondent stripped approximately $112,000 total in equity from the Residence pursuant to the four transactions described above: the purchase of the Residence from the Homeowners, two "cash-out refinances," and the sale of the Residence to his mother.

i. Diane Elko signed an Affidavit on May 13, 2009 stating that she did not sign either of the specific Powers of Attorney for the transactions of January 12, 2007 or September 19, 2007 related to the Residence, and that she never gave anyone authority to sign her name to these Powers of Attorney. She further indicated that she never signed, endorsed, or authorized anyone to sign or endorse her name relating to the Residence, that she never received any funds from transactions involving the Residence, and that she had never lived at, nor ever been to, the Residence.

j. Although the Homeowners paid Respondent the rent required under the terms of the Lease, the Respondent failed to make the mortgage payments on the Residence to the holder of the mortgage note. The Residence subsequently went into foreclosure.

k. The Respondent also engaged in an advertising campaign in 2006-2007 in which he sent a solicitation letter to approximately 2,000 Maryland consumers which appeared to come from a Maryland governmental agency. The letterhead and bottom of the letter appeared to be that of an official State agency with a State flag and State seal, and the document was titled "FORM 6424 – RERP DISTRICT OF BALTIMORE CITY/COUNTY." The content of each letter states that the specific consumers "now meet the pre-qualification requirements to take part in the Real Estate Renovation Program (RERP) and receive a cash reimbursement for the renovation of your home." It continued, in part, stating that, "[i]n accordance and compliance with the State of Maryland, the RERP Program was created in order to help and reward homeowners that need to make repairs/home improvements tot heir home or investment properties." The letter was signed by "Nicholas Elko, RERP President."

l. Pursuant to a deposition of Nicholas Elko on February 19, 2008, Nicholas Elko admitted that the form number ("Form 6424"), that "Real Estate Renovation Program," and that his title as RERP President were all just marketing creations intended to spark interest by the recipient consumers.

22. The Division's investigation revealed that the Respondent offered foreclosure consulting services to the Homeowners, who were in foreclosure on their Maryland residential mortgage loans, in June 2006, and that the Homeowners and Respondent reached a verbal Agreement. This Agreement was a foreclosure consulting contract, which subsequently resulted in a foreclosure reconveyance being executed on July 6, 2006, whereby the Respondent acquired

the Homeowners' residence. Respondent's activities made him both a foreclosure consultant and a foreclosure purchaser. As such, his business activities and transaction involving the Homeowners were subject to PHIFA.

23. Respondent's business activities violated numerous provisions of PHIFA. Respondent failed to provide a foreclosure consulting contract altogether, while the foreclosure reconveyance (set forth in two separate written contracts), failed to provide any of the notices of rescission or other notices or statements required under PHIFA. As such, Respondent violated, among other statutes, RP §§ 7-305, 7-306(a)(6),(b),(c),(d), and 7-310(a),(b),(c),(e). Further, by inducing Maryland homeowners to enter into foreclosure consulting contracts which lacked the notices of rescission and related information required under these statutes, Respondents violated RP § 7-307(7).

24. Respondent's activities as a foreclosure consultant violated numerous other provisions of PHIFA as well. Respondent violated RP § 7-307(2) by collecting compensation in an amount of approximately $112,000 over the course of 14 months (from July 2006 through September 2007) in exchange for arranging a foreclosure reconveyance of only $110,000, thereby far exceeding the permitted interest rate of 8% a year of interest and other compensation that the Respondent was entitled to collect. Respondent also violated RP § 7-307(5) by acquiring interest in a residence in foreclosure from a homeowner with whom the Respondent, acting as a foreclosure consultant, had contracted.

25. Respondent's activities as a foreclosure purchaser also violated multiple provisions of PHIFA. Respondent violated RP § 7-311(b)(1) by entering into a foreclosure reconveyance with the Homeowners, as he failed to verify or demonstrate that the Homeowners had a reasonable ability to pay for the subsequent reconveyance of the property back to the

homeowner on completion of the terms of a foreclosure conveyance, or that the Homeowner had or will have a reasonable ability to make the lease payments and repurchase the property within the term of the option to repurchase. Not only did the Respondent fail to do this in the context of the original Agreement (which ultimately contemplated a reconveyance amount of $130,000), but he certainly failed to do this for the final transaction in which he was involved, namely the amount for which he sold the property to his mother, $241,600.

26. As a foreclosure purchaser, Respondent violated RP § 7-311(b)(2) by failing to pay the Homeowners, within 90 days of the resale of the Residence to Mrs. Elko, an amount equal to at least 82% of the net proceeds from the resale, as the Residence was sold within 18 months after the Respondent and the Homeowners entered a foreclosure reconveyance agreement. The Lease itself only called for a payment to the Homeowners of 60% of the net proceeds of any such sale, and thus violated RP § 7-311(b)(2) on its face.

27. Respondents violated RP § 7-311(b)(3) by engaging in other unfair conduct, namely by refinancing the house to $202,800 prior to the expiration of the one-year lease period; this figure far exceeded the $130,000 mortgage amount called for in the Lease, and was as an amount for which the Homeowners could not obtain a mortgage loan.

28. Respondent violated RP § 7-311(b)(4)(ii), as he acted in the capacity as a mortgage originator and foreclosure consultant in his dealings with the Homeowners, in addition to being a foreclosure purchaser; thus the Homeowners thought that he was acting in that capacity on their behalf all the way up to, during, and even after the settlement on July 6, 2006. Respondent also violated RP § 7-311(b)(4)(ii), as he represented to the Homeowners that he would help them "save their house," using those words or a substantially similar phrase.

29. Respondent violated RP § 7-311(b)(5), as his multiple "cash-out refinances" and alleged "sale" to his mother constituted conduct false and deceptive conduct intended to strip all of the equity out of the Residence, while precluding the Homeowners from being able to reacquire their home.

30. As the Respondent failed to comply with RP § 7-310(e), the time period for the Homeowners to rescind or cancel the foreclosure reconveyance never started. Consequently, Respondent violated RP § 7-311(b)(6)(i), as he recorded various Deeds of Trust and other documents pertaining to the Residence before their right to rescind or cancel had expired.

31. Respondent also violated RP § 7-311(b)(6)(ii), as he effectively transferred the Homeowners' interest in the Residence to a third party (his mother).

32. These numerous alleged violations of PHIFA, which occurred in the context of mortgage transactions, constitute fraud, illegal and dishonest activities, violations of laws regulating mortgage lending and origination in the state, and otherwise demonstrate unworthiness, bad faith, and dishonesty indicating that the business of the licensee has not been or will not be conducted honestly. As such, these violations of PHIFA constitute grounds for revocation or suspension of Respondent's Maryland mortgage loan originator license pursuant to FI §§ 11-615(a)(3) through (a)(5).

33. Further, Respondent knowingly and willfully falsified two specific Powers of Attorney, allowing him to improperly sign mortgage applications and settlement documents on his mother's behalf. These actions, which occurred in the context of mortgage transactions, constitute fraud, illegal and dishonest activities, and otherwise demonstrate unworthiness, bad faith, and dishonesty indicating that the business of the licensee has not been or will not be conducted honestly. As such, this conduct alone constitutes grounds for revocation or

suspension of Respondent's Maryland mortgage loan originator license pursuant to FI §§ 11-615(a)(3) through (a)(5).

34. Respondent's conduct towards the Homeowners, whereby he allegedly swindled them out of their Residence after acting as a mortgage originator who was supposedly representing their interests, and whereby he subsequently stripped all of the equity out of the Residence, constitutes violations of COMAR 09.03.09.04, as the Respondent, as a mortgage originator, breached the duty of good faith and fair dealing in communications and transactions with the Homeowners (who were prospective borrowers at the time they entered into the verbal Agreement). In turn, this violation of law is grounds for revocation or suspension of Respondent's Maryland mortgage loan originator license pursuant to FI §§ 11-615(a)(3) through (a)(4). This conduct is also grounds for revocation or suspension under FI § 11-615(a)(5), as it demonstrate unworthiness, bad faith, and dishonesty indicating that the business of the licensee has not been or will not be conducted honestly.

35. Respondent's marketing campaign under the Real Estate Renovation Program ("RERP") name constituted deceptive and misleading advertising related to the making or brokering of mortgage loans, thereby constituting a violation of COMAR 09.03.09.04. The marketing letter used in the campaign was intended to deceive and mislead consumers into believing that it had been sent by an official governmental agency, or that RERP had some official State affiliation, sponsorship, or support. Further, by advertising under the RERP name (given that Respondent was listed as "RERP President"), the Respondent violated FI § 11-603, by acting "as a mortgage loan originator under a name or for an employer that is different from the name and employer that appear on the license." In turn, these violations of law are grounds for revocation or suspension of Respondent's Maryland mortgage loan originator license

pursuant to FI §§ 11-615(a)(3) through (a)(4). This conduct is also grounds for revocation or suspension under FI § 11-615(a)(5), as it demonstrate unworthiness, bad faith, and dishonesty indicating that the business of the licensee has not been or will not be conducted honestly.

36. Further, based on the foregoing, the Division has reasonable grounds to conclude that the Respondent no longer satisfies the qualifications to be licensed as a Maryland mortgage loan originator under the MMOL, as his alleged conduct fails to demonstrate the financial responsibility, character, and general fitness sufficient to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently, as required under FI § 11-605(c)(3).

CREDIT SERVICES BUSINESS ACTIVITIES

37 Pursuant to CL § 14-1902, "[a] credit services business, its employees, and independent contractors who sell or attempt to sell the services of a credit services business shall not: (1) [r]eceive any money or other valuable consideration from the consumer, unless the credit services business has secured from the Commissioner a license under Title 11, Subtitle 3 of the Financial Institutions Article. . . ."

38. Pursuant to CL § 14-1903(b), "[a] credit services business is required to be licensed under this subtitle and is subject to the licensing, investigatory, enforcement, and penalty provisions of this subtitle and Title 11, Subtitle 3 of the Financial Institutions Article."

39. Pursuant to FI § 11-302, "[u]nless the person is licensed by the Commissioner, a person may not: . . . (3) [e]ngage in the business of a credit services business as defined under Title 14, Subtitle 19 of the Commercial Law Article."

40. Pursuant to FI § 11-303, "[a] license under this subtitle shall be applied for and issued in accordance with, and is subject to, the licensing and investigatory provisions of Subtitle 2 of this title, the Maryland Consumer Loan Law – Licensing Provisions."

41. The MCSBA defines "*credit service businesses*" at CL § 14-1901(e); this provision provides, in part, as follows:

> (1) "Credit services business" means any person who, with respect to the extension of credit by others, sells, provides, or performs, or represents that such person can or will sell, provide, or perform, any of the following services in return for the payment of money or other valuable consideration:
> (i) Improving a consumer's credit record, history, or rating or establishing a new credit file or record;
> (ii) Obtaining an extension of credit for a consumer; or
> (iii) Providing advice or assistance to a consumer with regard to either subparagraph (i) or (ii) of this paragraph.

42. CL § 14-1902 further provides, in pertinent part, as follows:

> A credit services business, its employees, and independent contractors who sell or attempt to sell the services of a credit services business shall not:
> (1) Receive any money or other valuable consideration from the consumer, unless the credit services business has secured from the Commissioner a license under Title 11, Subtitle 3 of the Financial Institutions Article;
> * * *
> (4) Make or use any false or misleading representations in the offer or sale of the services of a credit services business;
> (5) Engage, directly or indirectly, in any act, practice, or course of business which operates as a fraud or deception on any person in connection with the offer or sale of the services of a credit services business;
> (6) Charge or receive any money or other valuable consideration prior to full and complete performance of the services that the credit services business has agreed to perform for or on behalf of the consumer;
> * * *

43. Pursuant to CL § 14-1903.1,

> A person who advertises a service described in § 14-1901(e)(1) of this subtitle, whether or not a credit services business, shall clearly and conspicuously state in each advertisement the number of:
> (1) The license issued under § 14-1903 of this subtitle.; or
> (2) If not required to be licensed, the exemption provided by the Commissioner.

44. CL § 14-1904(a) provides that, "[b]efore either the execution of a contract or agreement between a consumer and a credit services business or the receipt by the credit services business of any money or other valuable consideration, the credit services business shall provide the consumer with a written information statement containing all of the information required under § 14-1905 of [the MCSBA]." CL § 14-1905(b) further requires a credit services business "to maintain on file for a period of 2 years from the date of the consumer's acknowledgment a copy of the information statement signed by the consumer acknowledging receipt of the information statement."

45. CL § 14-1905 indicates the specific terms which must be provided in the information statement, stating, in part, as follows:

> (a) *In general.* – The information statement required under § 14-1904 of this subtitle shall include:
>
> * * *
>
> (5) A complete and detailed description of the services to be performed by the credit services business for or on behalf of the consumer, and the total amount the consumer will have to pay for the services.
>
> * * *
>
> (b) *Additional requirements of licenses.*– A credit services business required to obtain a license pursuant to § 14-1902 of this subtitle shall include in the information statement required under § 14-1904 of this subtitle:
> (1) A statement of the consumer's right to file a complaint pursuant to § 14-1911 of this subtitle;
> (2) The address of the Commissioner where such complaints should be filed; and
> (3) A statement that a bond exists and the consumer's right to proceed against the bond under the circumstances and in the manner set forth in § 14-1910 of this subtitle.

46. CL § 14-1906 discusses requirements for contracts between credit services businesses and consumers, providing as follows:

> (a) *Requirements.*– Every contract between a consumer and a credit services business for the purchase of the services of the credit services business shall be in writing, dated, signed by the consumer, and shall include:
>
> (1) A conspicuous statement in size equal to at least 10-point bold type, in immediate proximity to the space reserved for the signature of the consumer as follows:
> "You, the buyer, may cancel this contract at any time prior to midnight of the third business day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right.";
>
> (2) The terms and conditions of payment, including the total of all payments to be made by the consumer, whether to the credit services business or to some other person;
>
> (3) A complete and detailed description of the services to be performed and the results to be achieved by the credit services business for or on behalf of the consumer, including all guarantees and all promises of full or partial refunds and a list of the adverse information appearing on the consumer's credit report that the credit services business expects to have modified and the estimated date by which each modification will occur; and
>
> (4) The principal business address of the credit services business and the name and address of its agent in this State authorized to receive service of process.
>
> (b) *Notice of cancellation form.*- The contract shall be accompanied by a form completed in duplicate, captioned "NOTICE OF CANCELLATION", which shall be attached to the contract and easily detachable, and which shall contain in at least 10-point bold type the following statement:
> "NOTICE OF CANCELLATION
>
> You may cancel this contract, without any penalty or obligation, at any time prior to midnight of the third business day after the date the contract is signed.
>
> If you cancel, any payment made by you under this contract will be returned within 10 days following receipt by the seller of your cancellation notice.
>
> * * *
>
> (c) *Copies of completed contract and other documents to be given to consumer.*– A copy of the completed contract and all other documents the credit services business requires the consumer to

sign shall be given by the credit services business to the consumer at the time they are signed.

47. CL § 14-1907 provides, in part, as follows:

> (a) *Breach of contract.*– Any breach by a credit services business of a contract under this subtitle, or of any obligation arising under it, shall constitute a violation of this subtitle.
> (b) *Void contracts.*– Any contract for services from a credit services business that does not comply with the applicable provisions of this subtitle shall be void and unenforceable as contrary to the public policy of this State.
> (c) *Waivers.*–
> * * *
> (2) Any attempt by a credit services business to have a consumer waive rights given by this subtitle shall constitute a violation of this subtitle.

48. CL § 14-1908 provides that, "[a] credit services business is required to obtain a surety bond pursuant to Title 11, Subtitle 3 of the Financial Institutions Article." Further, CL § 14-1909 provides that, "[t]he surety bond shall be issued by a surety company authorized to do business in this State."

49. CL § 14-1912 discusses liability for failing to comply with the MCSBA, providing as follows:

> (a) *Willful noncompliance.*– Any credit services business which willfully fails to comply with any requirement imposed under this subtitle with respect to any consumer is liable to that consumer in an amount equal to the sum of:
> (1) Any actual damages sustained by the consumer as a result of the failure;
> (2) A monetary award equal to 3 times the total amount collected from the consumer, as ordered by the Commissioner;
> (3) Such amount of punitive damages as the court may allow; and
> (4) In the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.
> (b) *Negligent noncompliance.*– Any credit services business which is negligent in failing to comply with any requirement imposed

under this subtitle with respect to any consumer is liable to that consumer in an amount equal to the sum of:

(1) Any actual damages sustained by the consumer as a result of the failure; and

(2) In the case of any successful action to enforce any liability under this section, the cost of the action together with reasonable attorney's fees as determined by the court.

50. Pursuant to CL §§ 14-1901(e)(1)(i) and (iii), unless otherwise exempt persons who receive money or other valuable consideration for selling, offering, or providing credit repair services, or persons providing advice or assistance with regard to such services, fall under the statutory definition of "credit services businesses," and are thereby subject to the licensing, investigatory, enforcement, and penalty provisions of the MCSBA.

51. The Division's investigation revealed that, in June 2006, the Respondent represented that the his plan to purchase the Homeowner's Residence and then subsequently sell it back to them would improve the Homeowner's credit by allowing them to avoid having a foreclosure reflected on their credit reports, and would further repair their credit through the subsequent lease and repurchase of their residence. These representations with regard to the Homeowner's mortgage loan thus constituted the sale, provision, or performance, or representations to sell, provide, or perform, in exchange for the payment of money and other valuable consideration, the service of improving a consumer's credit record, history, or rating, and/or providing advice or assistance to the Homeowners with regard to improving the consumer's credit record, history, or rating. Respondent's business activities and transaction involving the Homeowners thus constituted credit repair activities, thereby making him subject to the licensing and other requirements of credit services businesses under the MCSBA.

52. In the present matter, although the Respondent is subject to the MCSBA, including its prohibition on engaging in credit services business activities without first being

licensed under the MCSBA pursuant to CL § 14-1902(1), CL §14-1903(b), FI § 11-302, and FI § 11-303, at no time has the Respondent ever been licensed by the Commissioner under the MCSBA.

53. By representing that he could provide credit repair services, and by entering into a contractual agreement with Maryland residents to provide such services, the Respondent has engaged in credit services business activities without having the requisite license. Respondent's unlicensed credit repair activities thus constitute violations of CL § 14-1902(1), CL §14-1903(b), FI § 11-302, and FI § 11-303, thereby subjecting Respondent to the penalty provisions of the MCSBA.

54. Additionally, by collecting payments of fees at each of the aforementioned closings prior to fully and completely performing all promised services on behalf of the Homeowners, which services included assisting the Homeowners' to further improve their credit by reconveying the Residence back to the Homeowners during the one-year lease period, the Respondent violated CL § 14-1902(6) of the MCSBA.

55. Further, the Respondent made or used false or misleading representations in his offer of credit repair services to Maryland consumers, thereby violating CL § 14-1902(4), when he claimed that he would assist the Homeowners in improving and repairing their credit, when in fact his actions contributed to the Homeowners being unable to reacquire their Residence to improve their credit.

56. Respondent further violated the MCSBA through the following: in his business advertisements, he failed to clearly and conspicuously state his license number under the MCSBA or his exemption, in violation of CL § 14-1903.1; he failed to obtain the requisite surety bond, in violation of to CL §§ 14-1908 and 14-1909; he failed to provide the Homeowners with

the requisite information statements, in violation of CL §§ 14-1904 and 14-1905; and Respondent failed to include the requisite contractual terms in his agreements with consumers as required under CL § 14-1906.

57. Further, as the contracts between Respondents and consumers failed to comply with the specific requirements imposed by the MCSBA (as discussed above), pursuant to CL § 14-1907(b) all such contracts between Respondents and Maryland consumers are void and unenforceable as against the public policy of State of Maryland.

58. Additionally, Respondent breached his contract with the Homeowners and/or breached his obligations arising under that contract by his activities related to the Homeowners and their Residence, including but not limited to the following: prior to the expiration of the one-year lease period, Respondent refinanced the Residence on multiple occasions for amounts far exceeding the $130,000 mortgage amount called for in the Lease, eventually refinancing the Residence for the amount of $202,800; Respondent sold the and Respondent failed to pay the Homeowners 60% of the net proceeds of the sale of the property to his mother. Pursuant to CL § 14-1907(a), such breaches constitute *per se* violations of the MCSBA.

59. The Division's investigation further demonstrated that the Respondent's conduct with regard to the Homeowners and their Residence constituted engaging, directly or indirectly, in acts, practices, or other activities which operated as a fraud or deception on persons in connection with the offer or sale of the services of a credit services business, and thereby violated CL § 14-1902(5), and that such actions by Respondent constituted willful noncompliance with the MCSBA under CL § 14-1912.

WHEREFORE, the Commissioner of Financial Regulation having determined that immediate action is in the public interest, and pursuant to the aforementioned provisions of the Annotated Code of Maryland and the Code of Maryland Regulations, it is HEREBY

ORDERED that, pursuant to SG § 10-226(c)(2), the Maryland mortgage originator license of Respondent Nicholas Elko is SUMMARILY SUSPENDED effective December 10, 2009; it is further

ORDERED that, pursuant to FI § 2-115(a), Respondent shall CEASE AND DESIST from violating the aforementioned laws pertaining to mortgage-related activities in the State of Maryland effective December 10, 2009; and that Respondent should be assessed statutory monetary penalties for all such violations; and it is further

ORDERED that, pursuant to FI § 2-115(a), Respondent shall immediately CEASE AND DESIST from violating the aforementioned laws pertaining to credit services business activities with Maryland consumers; and that Respondent should be assessed statutory monetary penalties for all such violations; and it is further

ORDERED that this Amended Summary Order to Cease and Desist and Summary Suspension of Mortgage Originator License fully supersedes and replaces the Summary Order to Cease and Desist and Summary Suspension of Mortgage Originator License issued by the Commissioner against Respondent on December 10, 2009.

FURTHERMORE,

RESPONDENT IS HEREBY NOTIFIED that, pursuant to FI § 2-115, FI § 11-616, and SG § 10-226(c)(2), Respondent is entitled to a hearing before the Agency to determine whether this Summary Order should be vacated, modified, or entered as a final Order of the Commissioner; and further,

RESPONDENT IS HEREBY NOTIFIED that, as a result of Respondent's previous request for a hearing in this matter, this case has been assigned to the Office of Administrative Hearings ("OAH") to render a proposed decision, and that OAH assigns the date and time of the hearing; and further,

RESPONDENT IS HEREBY NOTIFIED that the above-referenced hearing will be conducted pursuant to FI § 11-616, SG § 10-201, *et seq.* (the "Administrative Procedure Act"), and COMAR 09.01.02 and 03; further, pursuant to COMAR 09.01.02, applicable procedures will include, but are not limited to, the following: a copy of the hearing procedure is available to Respondent upon request, and without cost; Respondent may subpoena and call witnesses; Respondent may cross examine those witnesses called against it; Respondent is entitled to introduce documentary evidence in its defense; and if Respondent fails to appear, the hearing may proceed in Respondent's absence, and a determination may be made regarding the validity of the allegations against it; and further,

RESPONDENT IS HEREBY NOTIFIED that, pursuant to FI § 11-615(a), the foregoing violations provide a basis upon which the Commissioner may suspend or revoke Respondent's Maryland mortgage loan originator license. Pursuant to FI § 11-615(c), the foregoing violations provide a basis upon which the Commissioner may issue an order requiring the respondent to cease and desist from the violations and any further similar violations, to take affirmative action to correct the violations, including the restitution of money or property to any person aggrieved by the violations, and to impose a civil penalty up to $5,000 for each violation of the aforementioned laws. Additionally, pursuant to FI § 2-115(b), in addition to any other fines or penalties, as a result of a hearing, or of Respondent's failure to timely request a hearing in the manner described above, the Commissioner may, in addition to taking any other action authorized by law, enter an Order making this Amended Summary Order final, revoke the Maryland mortgage loan originator licenses of Respondent, impose a civil penalty against the Respondent up to $1,000 for each violation of the above-referenced laws, issue a penalty up to $5,000.00 for each subsequent violation of these laws, or may take any combination of the aforementioned actions against Respondent. The Commissioner may also enter a final order declaring, pursuant to CL § 14-1902 and 14-1907, that all agreements made by Respondent with Maryland consumers related to credit repair or other credit services business activities are void and unenforceable, and that Respondent must refund to Maryland consumers all money and other valuable consideration that consumers paid to the Respondent or to others that is in any way related to these agreements. In addition, pursuant to CL § 14-1912, as a result of Respondent's failure to comply with requirements imposed under the Maryland Credit Services Businesses Act, the Commissioner may also enter an Order requiring Respondent to pay consumers a monetary award equal to any actual damages sustained by the consumers as a result of that failure, and, in instances of willful noncompliance under the Act, an additional monetary award equal to 3 times the total amount collected from the consumers.

MARYLAND COMMISSIONER OF
FINANCIAL REGULATION

3/1/10
Date

By: Mark Kaufman
Deputy Commissioner